

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 27, line 39, after "IC 6-1.1-46" delete "." and insert "**or**
- 2 **IC 6-1.1-47**".
- 3 Page 28, line 13, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".
- 4 Page 32, line 11, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".
- 5 Page 32, line 12, delete "." and insert "**under IC 6-1.1-46**".
- 6 Page 104, line 24, after "IC 6-1.1-46" delete "." and insert "**and**
- 7 **IC 6-1.1-47**".
- 8 Page 104, line 28, delete ";" and insert "**and IC 6-1.1-47**";".
- 9 Page 104, line 30, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".
- 10 Page 104, line 37, delete ";" and insert "**under IC 6-1.1-46**";".
- 11 Page 105, line 10, after "IC 6-1.1-46," insert "**IC 6-1.1-47**".
- 12 Page 105, line 33, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".
- 13 Page 106, line 25, delete "," and insert "**or IC 6-1.1-47**".
- 14 Page 106, line 25, after "which" insert "**deferred**".
- 15 Page 106, line 26, delete "are deferred" and insert "**become due**".
- 16 Page 106, line 26, after "IC 6-1.1-46" delete "." and insert "**or**
- 17 **IC 6-1.1-47**".
- 18 Page 108, line 2, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".
- 19 Page 108, line 6, delete "and" and insert ",".
- 20 Page 108, line 6, after "IC 6-1.1-46," insert "**and IC 6-1.1-47**".
- 21 Page 109, line 24, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".
- 22 Page 109, line 31, delete "and" and insert ",".
- 23 Page 109, line 31, after "IC 6-1.1-46," insert "**and IC 6-1.1-47**".
- 24 Page 133, line 24, after "Chapter 46." insert "**Senior, Blind, and**
- 25 **Disabled**".

Page 141, between lines 9 and 10, begin a new paragraph and insert:
 "SECTION 138. IC 6-1.1-47 IS ADDED TO THE INDIANA
 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 [EFFECTIVE UPON PASSAGE]:

Chapter 47. Reassessment Payment Deferral Program

Sec. 1. As used in this chapter, "base amount" means the amount of homestead property tax liability that is not subject to deferral, as determined under this chapter.

Sec. 2. As used in this chapter, "defer" means to delay the due date on which property taxes would otherwise be first due and payable.

Sec. 3. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1.

Sec. 4. As used in this chapter, "homestead property tax liability" refers to a liability for property taxes:

(1) that are assessed on tangible property that is a homestead; and

(2) that would be first due and payable in a certain year if the property taxes were not deferred under this chapter.

The term refers to a property tax liability after the application of all deductions and credits for which the homestead is eligible.

Sec. 5. (a) As used in this chapter, "property taxes" refers to ad valorem property taxes.

(b) The term does not include the following:

(1) Special assessments.

(2) Fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8 or IC 6-1.1-22.5.

Sec. 6. As used in this chapter, "qualified individual" means an individual who meets all the following criteria:

(1) Has a qualified interest in a homestead on the assessment date for which homestead property tax liability is imposed.

(2) Uses the homestead in which the individual has a qualified interest as the individual's principal place of residence.

(3) Either:

(A) is not delinquent in the payment of:

(i) any property taxes that are not deferred under this chapter, special assessments, or fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8 or IC 6-1.1-22.5 or a statement in another state; or

(ii) penalties or interest imposed for property taxes, special assessments, or fees or charges, including any deferred property taxes; or

(B) has been granted a waiver from the requirements of this subdivision by the county auditor in the county where the homestead is located.

1 **Sec. 7. As used in this chapter, "qualified interest" means the**
 2 **following:**

- 3 (1) An ownership interest in a homestead.
- 4 (2) A beneficial interest in an entity that has an ownership
- 5 interest in a homestead or a contract interest described in
- 6 subdivision (3).
- 7 (3) An interest in a contract for the purchase of a homestead
- 8 that:
- 9 (A) is recorded in the county recorder's office; and
- 10 (B) provides that a person purchasing the homestead is to
- 11 pay the property taxes on the homestead.

12 **Sec. 8. As used in this chapter, "qualified taxpayer" means a**
 13 **qualified individual or an entity in which a qualified individual has**
 14 **a beneficial interest, or both, that was liable for the property taxes**
 15 **on a homestead:**

- 16 (1) on both the current assessment date and the immediately
- 17 preceding assessment date; and
- 18 (2) in a county that has a property tax deferral program in
- 19 effect for a particular year in which property taxes are first
- 20 due and payable.

21 **Sec. 9. As used in this chapter, "property tax increase resulting**
 22 **from general reassessment or annual adjustment" refers to the**
 23 **amount determined under section 14 of this chapter.**

24 **Sec. 10. A county fiscal body may adopt an ordinance, in the**
 25 **form prescribed by the department of local government finance, to**
 26 **establish a property tax deferral program under this chapter. To**
 27 **apply to property taxes first due and payable in the immediately**
 28 **succeeding year, the ordinance must be adopted before September**
 29 **1 of the year that immediately precedes the year to which the**
 30 **ordinance applies. The county fiscal body must certify an**
 31 **ordinance under this section, including any ordinance amending or**
 32 **repealing a previously adopted ordinance, to the following:**

- 33 (1) The county auditor.
- 34 (2) The department of local government finance.
- 35 (3) The fiscal officer of each taxing unit in the county.

36 **Sec. 11. A qualified taxpayer may defer a due date for a part, as**
 37 **determined under this chapter, of the qualified taxpayer's**
 38 **homestead property tax liability first due and payable in the:**

- 39 (1) first year in which a general reassessment becomes the
- 40 basis for determining property tax liability, if the qualified
- 41 taxpayer's property tax increase resulting from general
- 42 reassessment or annual adjustment was at least one hundred
- 43 seventy-five percent (175%);
- 44 (2) second year in which a general reassessment becomes the
- 45 basis for determining property tax liability, if the qualified
- 46 taxpayer's property tax increase resulting from general

reassessment or annual adjustment was at least two hundred fifty percent (250%); and

(3) third year in which a general reassessment becomes the basis for determining property tax liability, if the qualified taxpayer's property tax increase resulting from general reassessment or annual adjustment was at least three hundred twenty-five percent (325%).

Sec. 12. Property taxes deferred under this chapter are due and payable in equal installments on May 10 and November 10 of each year beginning in the fourth year in which a general reassessment becomes the basis for determining property tax liability year until the full amount deferred for the year is paid. An amount deferred in a year is payable in six (6) installments. However, if a deferral termination event occurs, the full amount deferred under this chapter becomes due thirty (30) days after a termination event for the homestead occurs.

Sec. 13. (a) Subject to subsections (b), (c), and (d), a deferral termination event occurs on the earliest of the following dates:

(1) The first date on which none of the qualified individuals who had a qualified interest in the homestead when the property taxes were deferred:

(A) use the homestead as their principal place of residence;
or

(B) have a qualified interest in the homestead.

(2) The first date on which the mortgages and liens of record on the homestead exceed the assessed value of the homestead.

(3) The date on which a person with an ownership interest in the homestead files for bankruptcy or the homestead property is placed in receivership.

(b) For purposes of subsection (a), an individual shall be treated as using a homestead as the individual's principal place of residence if the individual:

(1) is absent from the homestead while in a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5); and

(2) used the homestead as the individual's principal place of residence immediately before being admitted to a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5).

(c) The estate of a deceased individual shall be treated as having the same rights the deceased individual had immediately before the individual died to do the following:

(1) Defer taxes that would otherwise be due and payable in the year the individual died.

(2) Continue to defer taxes that were deferred before the individual died.

(d) This subsection applies only to a surviving spouse who was not a qualified individual on the date on which property taxes were

1 deferred. If a deceased individual was a qualified individual on the
 2 date on which property taxes were deferred, the deceased
 3 individual's surviving spouse shall be treated after the individual's
 4 death as if the surviving spouse had been a qualified individual on
 5 the date on which property taxes were deferred if:

6 (1) the homestead was the surviving spouse's principal place
 7 of residence when the individual died;

8 (2) the surviving spouse has a qualifying interest in the
 9 homestead not later than the later of:

10 (A) the date of the individual's death; or

11 (B) the date on which the estate of the deceased individual
 12 transfers any part of the ownership of the homestead from
 13 the estate; and

14 (3) the surviving spouse:

15 (A) is unmarried; or

16 (B) marries only after the surviving spouse becomes:

17 (i) at least sixty-five (65) years of age;

18 (ii) blind; or

19 (iii) a disabled person.

20 **Sec. 14. The maximum amount that may be deferred in a year**
 21 **under this chapter is equal to the least of the following:**

22 (1) Subject to section 15 of this chapter, the result of:

23 (A) the amount by which:

24 (i) the qualified taxpayer's homestead property tax
 25 liability in the first year in which a general reassessment
 26 or an annual adjustment under IC 6-1.1-4-4.5 became
 27 the basis for determining the qualified taxpayer's
 28 homestead property tax liability; exceeds

29 (ii) one hundred and seventy-five percent (175%) of the
 30 qualified taxpayer's homestead property tax liability for
 31 the year immediately preceding the year in which a
 32 general reassessment or an annual adjustment under
 33 IC 6-1.1-4-4.5 became the basis for determining the
 34 qualified taxpayer's homestead property tax liability;

35 multiplied by

36 (B) the deferral percentage permitted under this chapter.

37 (2) The qualified taxpayer's homestead property tax liability
 38 for the current year.

39 **Sec. 15. In determining the maximum permissible deferral**
 40 **amount under section 14(1) of this chapter, the part of the qualified**
 41 **taxpayer's homestead property tax liability that is attributable to**
 42 **physical improvements in a homestead that were first assessed in**
 43 **the first year in which a general reassessment became the basis for**
 44 **determining the qualified taxpayer's homestead property tax**
 45 **liability shall not be considered.**

46 **Sec. 16. The qualified taxpayer's deferral percentage is:**

(1) seventy-five percent (75%) in the first year in which a general reassessment becomes the basis for determining property tax liability;

(2) fifty percent (50%) in the second year in which a general reassessment becomes the basis for determining property tax liability;

(3) twenty-five percent (25%) in the third year in which a general reassessment becomes the basis for determining property tax liability; and

(4) zero percent (0%) in any other year.

Sec. 17. To qualify for a deferral of homestead property tax liability in any year under this chapter, a qualified taxpayer must apply for the deferral:

(1) on the form, in the manner, and with the information prescribed by the department of local government finance; and

(2) before the date on which the installment being deferred is first due and payable.

The department of local government finance may provide forms allowing a qualified taxpayer to elect to defer property taxes for more than one (1) year. If the department of local government permits a multiyear election, the department of local government finance shall provide for the filing of amended forms whenever any of the information in a previously filed form ceases to be accurate or complete.

Sec. 18. An application for a deferral under this chapter must be filed with the county auditor in the county where the homestead is located. Upon the filing of an application, the county auditor shall immediately:

(1) notify the county treasurer and transmit the information that the county treasurer needs to match the application with county treasurer's records related to the homestead; and

(2) review the application to determine:

(A) whether the applicant qualifies for a deferral; and

(B) the amount that may be deferred.

Sec. 19. The filing of an application waives any interest and penalties that would otherwise be imposed for the nonpayment of property taxes by the due date only to the extent that the county auditor approves the application for the amount of the unpaid property taxes.

Sec. 20. If the applicant is qualified under this chapter for a deferral, the county auditor shall:

(1) approve the deferral in the lesser of:

(A) the amount requested by the applicant; or

(B) the maximum amount that may be deferred in the year;

1 (2) provide for the recording of the deferral in the office of the
2 county recorder on the form and in the manner prescribed by
3 the department of local government finance; and

4 (3) notify the county treasurer and the department of local
5 government finance of the amount deferred on the form and
6 in the manner prescribed by the department of local
7 government finance.

8 Sec. 21. Deferred property taxes may be paid at any time on or
9 before the delayed due date established by this chapter without
10 interest and penalties. Payment of deferred property taxes after the
11 delayed due date established by this chapter shall be collected in
12 the same manner as delinquent property taxes. If a payment of
13 deferred property taxes is made, the county treasurer shall notify
14 the county auditor, the county recorder, and the department of
15 local government finance on the form and in the manner
16 prescribed by the department of local government finance. Notice
17 to the county recorder must be in the form of a release of the lien
18 on the homestead for the deferred property taxes.

19 Sec. 22. Whenever an individual who is a qualified individual on
20 an assessment date for which property taxes were deferred:

21 (1) ceases to use the homestead as the individual's principal
22 place of residence;

23 (2) ceases to have a qualified interest in the homestead; or

24 (3) changes the individual's qualified interest in the
25 homestead;

26 or a surviving spouse becomes a qualified individual, a person
27 responsible for paying the property taxes on the homestead shall
28 notify the county auditor in the county where the homestead is
29 located on the form and in the manner prescribed by the
30 department of local government finance. The county auditor shall
31 review the information filed under this section to determine
32 whether a deferral termination event has occurred.

33 Sec. 23. If, as the result of the filing of information with the
34 county auditor or on the county auditor's own motion, the county
35 auditor determines that a deferral termination event has occurred,
36 the county auditor shall notify the county treasurer, the county
37 recorder, and the department of local government on the form and
38 in the manner prescribed by the department of local government
39 finance.

40 Sec. 24. A county auditor shall give written notice of each
41 determination under this chapter to the qualified taxpayers and
42 mortgage holders of record for the affected homestead. A qualified
43 taxpayer may appeal an adverse determination under this chapter
44 to the Indiana board not later than forty-five (45) days after notice
45 of the determination.

46 Sec. 25. The county recorder shall record the following without

charge in the miscellaneous records of the county recorder:

- (1) A statement of the amount of property tax deferred under this chapter imposed on the deferred property taxes.
- (2) A statement of payment of deferred property taxes.
- (3) A notice of termination of a deferral.

Sec. 26. (a) Except:

- (1) as required by federal law or regulation;
- (2) if the loan from the lender:
 - (A) is made, guaranteed, or insured by a federal government lending or insuring agency; and
 - (B) requires the borrower to make payments to a lender with respect to an escrow or other type of account; or
- (3) if the application of this section would impair the obligations of a borrower under an agreement executed before April 15, 2006;

a lender may not require a borrower to maintain an escrow or other type of account with regard to taxes for which the borrower has elected to defer taxes under this chapter.

(b) Notice of a tax deferral in the records of the county recorder shall be treated as notice of a tax deferral to a lender.

(c) Any payments that are made by the borrower to an escrow or other type of account with regard to property taxes and that:

- (1) were submitted before the time of submission of evidence of tax deferral, for any period; and
- (2) have not been used in payment or partial payment of taxes;

must be refunded to the borrower within thirty (30) days after the deferral is approved and filed with the county recorder."

Page 261, line 18, after "IC 6-1.1-46" delete "," and insert "**and IC 6-1.1-47, both**".

Page 261, line 18, delete "applies" and insert "**apply**".

Re-number all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

Representative Orentlicher